



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

Voting Members:

Ann H. Kobayashi, Chair
Joey Manahan, Vice Chair
Carol Fukunaga
Trevor Ozawa
Kymberly Marcos Pine

AGENDA

REGULAR MEETING
COMMITTEE MEETING ROOM
WEDNESDAY, MARCH 2, 2016
9:00 A.M.

SPEAKER REGISTRATION:

Persons wishing to testify are requested to register by 9 a.m. as follows:

- a. On-Line at <http://www.honolulu.gov/ccl-testimony-form.html>;
- b. By faxing to 768-3827 your name, phone number and the agenda item;
- c. By filling out the registration form in person; or
- d. By calling 768-3801.

Persons who have not registered to testify will be given an opportunity to speak on an item following oral testimonies of the registered speakers.

Each speaker is limited to a **one-minute** presentation.

WRITTEN TESTIMONY:

Written testimony may be faxed to 768-3827 or transmitted via internet at <http://www.honolulu.gov/ccl-testimony-form.html> for distribution at the meeting.

If submitted, written testimonies, including the testifier's address, e-mail address, and phone number, may be posted by the City Clerk and available to the public on the City's DocuShare Website.

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Accommodations are available upon request to persons with disabilities, please call 768-3801 or send an email to guehara@honolulu.gov at least three working days prior to the meeting.

The meeting is viewable by: (1) internet live streaming through http://olelo.granicus.com/MediaPlayer.php?publish_id=92; (2) televised live broadcast on Olelo TV Channel 54; or (3) after the meeting, viewable at <http://www.honolulu.gov/council/cclmeetings/ccl-archived-meetings-agendas.html>. Copies of older meeting videos may be requested by calling the City Clerk's Office at 768-5822, charges may apply.

FOR APPROVAL

MINUTES OF THE FEBRUARY 10, 2016 MEETING

FOR ACTION

1. **RESOLUTION 16-53 - ACCEPTANCE OF GIFT.** Requesting acceptance of a gift valued at approximately \$4,600 from the American Association of Motor Vehicle Administrators (AAMVA) to the Department of Information Technology to pay for travel to attend the Annual Federal Motor Carrier Safety Administration/AAMVA Commercial Driver License Coordinator/IT meeting in Chicago, Illinois on April 26 – 28, 2016. (Transmitted by Communication D-101)
2. **RESOLUTION 16-55 – ACQUISITION BY EMINENT DOMAIN OF REAL PROPERTY (2043 Dillingham Boulevard).** Approving the Honolulu Authority for Rapid Transportation's acquisition by eminent domain and the City and County of Honolulu's acquisition of real property identified as Tax Map Keys 1-2-009-011 and 1-2-009-098.
3. **RESOLUTION 16-56 – MAUNAKEA MARKETPLACE.** Urging the City Administration to initiate the renovation and repair of the Maunakea Marketplace.
4. **BILL 78 (2015) – RELATING TO SPONSORSHIPS.** Establishing a process to obtain sponsorships for City facilities, parks, programs, equipment, and tangible property within set guidelines and procedures for the purpose of optimizing non-property tax revenue sources. (Bill passed second reading and public hearing on 1/27/16; Committee amended Bill to a CD1 version (OCS2016-0177/2/24/2016 12:54 PM) and deferred action on 2/10/16)

CD1 TO BILL 78 (2015) – (Submitted by Councilmember Kobayashi) The proposed CD1 (OCS2016-0177/2/24/2016 12:54 PM) makes the following amendments:

- A. Deletes all references to regulations throughout the bill.
- B. Replaces all references to a sign or signage with the term sponsorship recognition.
- C. Amends the definition of "equipment" to exclude city-operated buses and special transit service vehicles.
- D. Amends the definition of "sponsorship agreement" to specify that an agreement may include provisions that allow for the publicity or promotion of the sponsor.

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- E. Adds a definition of "sponsorship recognition."
- F. Changes the reference in Section 2-____.3(c) in Section 2 of the bill from "Hawaii administrative rules, title 9, subtitle 2, chapter 1" to a reference to "applicable rules of the department of customer services."
- G. Amends Section 2-____.6 in Section 2 of the bill to specify that funds received pursuant to sponsorship agreements must be expended for their designated purpose.
- H. Add a new Section 2-____.7 in Section 2 of the bill that specifies the creation of a sponsorship advisory committee. This committee shall be responsible for the selection of design criteria for any sponsorship recognition materials that will appear on city assets. The section specifies the qualifications for the committee members.
- I. Adds a new subdivision (8) to Section 2-____.8(a) in Section 2 of the bill to require that any physical form of sponsorship recognition must blend in with the surrounding environment. Renumbers subsequent subdivisions accordingly.
- J. Amends renumbered Section 2-____.8(a)(11) in Section 2 of the bill to read in part that, "Sponsorships may be non-exclusive..." rather than "Sponsorships shall be non-exclusive..."
- K. Amends renumbered Section 2-____.8(a)(13) in Section 2 of the bill to additionally provide that sponsors shall defend, indemnify, and hold harmless the city, its officers, agents, and employees against all liability, loss, damage, cost, and expense, including attorneys' fees, arising out of or resulting from the acts or omissions of the sponsor's directors.
- L. Amends renumbered Section 2-____.8(a)(14) to replace "limited forum" with "sponsorships."
- M. Amends Section 2-____.8(b) in Section 2 of the bill by:
 - 1. Moving subdivisions (1) and (2) to paragraphs (K) and (L) of renumbered Sections 2-____.8(a)(10); and

2. Specifying that sponsorships from:
 - i. Persons that have a pending open application with the city for a discretionary approval; and
 - ii. Persons opposing the city in a pending or ongoing lawsuit; will not be accepted.
 - N. Renumbers prior Section 2-____.7 ("Sponsorship rules") in Section 2 of the bill as Section 2-____.9, and amends the section to specify that the "director of budget and fiscal services or other city officers designated by the mayor," rather than an "executive agency," may adopt rules to administer the new article being established. Renumbers subsequent sections accordingly.
 - O. Makes miscellaneous technical and nonsubstantive amendments.
5. **BILL 61 (2015), CD1 – INDUSTRIAL LANDS.** Preserving and promoting industrial uses within areas designated as transit-oriented development zones. One direct means of promoting industrial uses in such areas is through modifications to the real property tax valuations of such uses. (Bill passed second reading and public hearing on 2/17/16)

PROPOSED CD1 TO BILL 61 (2015) – (Submitted by Councilmember Kobayashi)
The proposed CD1 (OCS2016-0150/2/10/2016 2:34 PM) makes the following amendments:

- A. Adds language to the Findings and Purpose clause.
- B. Adds language specifying that the central Kakaako industrial zone is identified as a demonstration area in which to dedicate lands for industrial use to preserve such uses in the zone.
- C. Amends the definition of "industrial use of land" and removes the definitions of "residential homesite area," "substantial and continuous industrial use," and "unusable lands."
- D. Removes the requirement that the parcel of land being dedicated for industrial use be within a one-mile radius of a transit station.
- E. Amends the duration of time from 10 to 5 years that a parcel of land may be dedicated for industrial use for the purpose of reducing property tax assessments.

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- F. Adds a requirement that the parcel of land be located within the Central Kakaako industrial zone, includes a description of the zone and attaches a map of the zone.
 - G. Adds a requirement that the parcel of land be used for one of the specific industrial uses listed in subsection (c)(2).
 - H. Makes various minor amendments in subsections (h) and (l) to conform to new language and requirements in subsection (c)(2).
 - I. Removes the rollback tax schedule for cancellation of a dedication after the fifth year to conform to the amended duration of dedications.
 - J. Amends the effective date section to sunset the program on June 30, 2027.
 - K. Makes miscellaneous technical and nonsubstantive amendments.
6. [**BILL 2 \(2016\), CD1**](#) –**LOW-INCOME RENTAL HOUSING PROPERTIES.** Providing real property tax relief for certain properties that are used as low-income rental housing. (Bill passed second reading and public hearing on 2/17/16)
- [**PROPOSED CD2 TO BILL 2 \(2016\)**](#) – (Submitted by Councilmember Kobayashi)
The proposed CD2 (OCS2016-0174/2/23/2016 10:00 AM) makes the following amendments:
- A. Amends ROH Section 8-7.6 (a) to read as follows:

For the purposes of this section, "low-income rental housing" means housing rented at or below the rental rate limits established by the United States Department of Housing and Urban Development for households earning [80] 50 percent of the city's area median income for the applicable household size, or less.
 - B. Removes subsection 8-7.6 (c).
 - C. Amends the existing subsection 8-7.6 (d) by incorporating the requirement in subsection (c) that the owner shall meet the applicable requirements of subsection (b) pertaining to the property.
 - D. Amends the lettering of subsections 8-7.6 (d) through (k) since subsection (c) was removed.
 - E. Makes other non-substantive technical amendments to the bill.

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7. **BILL 12 (2016) – REAL PROPERTY TAX RELIEF.** Relating to real property tax relief for properties used for family member rental housing. (Bill passed first reading on 2/17/16)

ANN H. KOBAYASHI, Chair
Committee on Budget